

(Draft – Awaiting Formal Approval)  
**MINUTES OF THE**  
**HEALTH AND HUMAN SERVICES INTERIM COMMITTEE**  
Wednesday, July 17, 2013 – 9:00 a.m. – Room 20 House Building

**Members Present:**

Sen. Evan J. Vickers, Senate Chair  
Rep. Paul Ray, House Chair  
Sen. Allen M. Christensen  
Sen. Luz Robles  
Sen. Brian E. Shiozawa  
Sen. Todd Weiler  
Rep. Stewart Barlow  
Rep. Rebecca Chavez-Houck  
Rep. LaVar Christensen  
Rep. Tim M. Cosgrove  
Rep. Brian M. Greene

Rep. Michael S. Kennedy  
Rep. Ronda Rudd Menlove  
Rep. Edward H. Redd

**Staff Present:**

Mr. Mark Andrews, Policy Analyst  
Ms. Cathy Dupont, Associate General Counsel  
Ms. Lee Killian, Associate General Counsel  
Mr. Samuel Johnston, Committee Staff  
Ms. Lori Rammell, Legislative Secretary

**Note:** A list of others present, a copy of related materials, and an audio recording of the meeting can be found at [www.le.utah.gov](http://www.le.utah.gov).

**1. Committee Business**

Chair Ray called the meeting to order at 9:10 a.m.

**MOTION:** Sen. Weiler moved to approve the minutes of the June 19, 2013, meeting. The motion passed unanimously. Sen. Christensen, Sen. Robles, Rep. Barlow, Rep. Christensen, and Rep. Menlove were absent for the vote.

**2. Medicaid: Preferred Drug List, Rebates, and Brand-name vs. Generic**

Rep. Redd introduced the discussion by indicating he believes the cost of pharmaceuticals to the state's Medicaid program is not very transparent.

Mr. Michael T. Hales, Deputy Director, Utah Department of Health, explained the operation of the state's Medicaid preferred drug list, including how manufacturer rebates are calculated and why brand-name drugs that appear to be more expensive than generics are sometimes actually cheaper. He indicated that state General Fund Spending in Fiscal Year 2013 was \$13.021 million less than it would have otherwise been due to use of the preferred drug list. He reported the percentages of other states that include each of five classes of psychotropic drugs on their Medicaid preferred drug lists. He added that Utah Code prohibits including those drugs on the state's preferred drug list. Mr. Hales said that the six or seven most costly drugs for the Medicaid program are mental health drugs, which are among the drugs that may not be included on the preferred drug list. The committee discussed whether the one exception to prohibiting the placement of psychotropic drugs on the preferred drug list—the exception for sedative hypnotics—should be expanded to allow placement of other psychotropics on the list. Mr. Hales referred to a slide presentation "Medicaid Preferred Drug List (PDL)."

Mr. Tim Morley, Medicaid Pharmacy Director, Utah Department of Health, assisted Mr. Hales by answering questions from the committee.

The committee discussed the use of generic vs. brand-name drugs.

**3. Alzheimer's Disease**

Ms. Kimberly Ware, Volunteer Chair, Alzheimer's Advocacy Day for the state of Utah, presented "Alzheimer's by the Numbers," discussed the challenges she sees in her position as administrator of a home health and hospice company, and then stated that Utah will have the largest percentage increase in the number of Alzheimer's patients in the nation. She discussed collaboration between physicians and the Alzheimer's Association and efforts to raise private funds for the care and treatment of Alzheimer's patients in the state.

Dr. Norman L. Foster, Director, Center for Alzheimer's Care, Imaging, and Research, University of Utah, distributed a packet of materials from the Alzheimer's Association, which included "Utah's State Plan for Alzheimer's Disease and Related Dementia: Action Plan for 2012-2017" and information on a proposed High Quality Dementia Care Act. The act's purpose is to implement portions of the Utah State Plan for Alzheimer's Disease and Related Dementias, adopted by the Legislature in 2012, and calls for three annual appropriations of \$400,000 in state funds to improve the availability of treatment services for persons with Alzheimer's disease, including by means of telemedicine in southwest Utah. He said that coordination among state agencies may also need to be encouraged to improve care for Alzheimer's patients and that strategies may need to be developed to encourage care of patients in their homes. He mentioned that other states have used income tax credits to encourage in-home care and to keep persons with Alzheimer's out of institutions. Dr. Foster estimated that 500 additional persons with Alzheimer's disease would be affected by the funding request, as would medical providers and families of persons with Alzheimer's.

#### **4. Sunset Review—Utah Health Care Compact**

Sen. J. Stuart Adams, sponsor of 2012 signaling Utah's participation with other states to secure congressional approval of a multi-state Health Care Compact, recommended that Utah Code Section 63M-1-2507, which codified the compact, be reauthorized for five years. Rep. Chavez-Houck expressed concern about reauthorizing the statute with the same compact language that was of concern when the statute was enacted. Sen. Adams indicated that the language of concern is probably not an issue, because it would not be part of any compact approved by Congress. He also indicated the intent of states to meet and obtain congressional approval of the compact has changed, but the underlying issues have not. He indicated that Utah should remain in the compact to preserve its influence and lead out.

**MOTION:** Sen. Christensen moved that Utah Code Section 63M-1-2507, Health Care Compact, be reauthorized for five years.

Rep. Chavez-Houck indicated that she was not comfortable with reauthorizing the compact statute unless there is some way to negotiate changes to the compact's Medicare and public health provisions.

**SUBSTITUTE MOTION:** Rep. Chavez-Houck moved that Utah Code Section 63M-1-2507, Health Care Compact, be reauthorized for two years. The substitute motion failed, with Sen. Robles, Rep. Chavez-Houck, and Rep. Cosgrove voting in favor.

Mr. Dan Harris, Director of Advocacy, American Association of Retired Persons, indicated that Utah Code Section 63M-1-2507 should not be reauthorized unless various concerns about the compact are addressed,

including concerns about Medicare and inflation provisions. He urged that if the statute is reauthorized, the recommendations of a workgroup that studied the compact be incorporated in the reauthorization.

Ms. Dupont pointed out that if the statute is reauthorized, the statutory provisions requiring the study of various compact issues will be reauthorized as well.

Regarding Agenda Item 2, "Medicaid: Preferred Drug List, Rebates, and Brand-name vs. Generic," Dr. Susan Siegfried, Northern Utah Psychiatric Consulting, said that there were individuals in the audience who attended the committee's meeting in order to give testimony regarding inclusion of generic drugs on the preferred drug list.

The original motion by Sen. Christensen passed with Sen. Robles, Rep. Chavez-Houck, and Rep. Cosgrove voting in opposition.

## **5. Update on State and Federal Health Reform**

This issue was not discussed.

## **6. Adjourn**

**MOTION:** Sen. Christensen moved to adjourn the meeting. The motion passed unanimously.

Chair Ray adjourned the meeting at 11:34 a.m.